

0-117A056

LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE

CHICAGO, ILLINOIS 60601-7567

312-558-1000

TWX NUMBER
910-221-1154

TELECOPIER
312-750-8800

529 FIFTH AVENUE
NEW YORK, NEW YORK 10017-4608
212-948-7075

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08873
201-563-2700

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-286-8600

RECORDATION NO. 16694-C FILED 145
APR 27 1990 -3 30 PM

April 27, 1990

INTERSTATE COMMERCE COMMISSION

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, S.W.
Washington, DC 20423

RECORDATION NO. 16694-B FILED 145

APR 27 1990 -3 30 PM

INTERSTATE COMMERCE COMMISSION

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two originals and three photocopied conformed counterparts of each of the two documents described below.

The first document is an Amendment to a Security Agreement (the "Amendment"), dated as of April 25, 1990, between Precision National Corporation ("Precision") and Deutsche Credit Corporation ("DCC") relating to a Security Agreement, dated November 10, 1989 ("Security Agreement"), duly recorded and filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303(a) on December 29, 1989, under Recordation Number 16694, which Security Agreement is a primary document as defined in the Commission's Rules for Recordation of Documents.

The names and addresses of the parties to the Amendment are:

Precision

Precision National Corporation
P.O. Box 789
Mount Vernon, Illinois 62864

DCC

Deutsche Credit Corporation
2333 Waukegan Road
Deerfield, Illinois 60015-0329

Eric L. Harris
C. Overly

Ms. Noreta R. McGee
April 27, 1990
Page 2

A description of the rail equipment covered by the Amendment to the Security Agreement is set forth on Schedule A attached to the Security Agreement.

A check for \$15.00 payable to the order of the Interstate Commerce Commission is enclosed to cover the required recordation fee of the Amendment to the Security Agreement.

The second document is an Amendment to a Loan Agreement ("Loan Agreement Amendment"), dated April 25, 1990, between Precision and DCC relating to a Loan Agreement, dated as of November 20, 1989 and amended as of December 22, 1989, ("Loan Agreement"), duly recorded and filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303(a) on December 29, 1989, under Recordation Number 16694-A which Loan Agreement relates to the Security Agreement, which is a primary document as defined in the Commission's Rules for Recordation of Documents.

The names and addresses of the parties to the Loan Agreement Amendment are:

Precision
Precision National Corporation
P.O. Box 789
Mount Vernon, Illinois 62864

DCC
Deutsche Credit Corporation
2333 Waukegan Road
Deerfield, Illinois 60015-0329

A description of the rail equipment covered by the Amendment to the Loan Agreement is set forth in Schedule A attached to the Security Agreement.

A check for \$30.00 payable to the order of the Interstate Commerce Commission is enclosed to cover the required recordation fee for the Amendment and the Loan Agreement Amendment.

Kindly return the three photocopied conformed counterparts of the two enclosed documents in the envelope provided to T. Stephen Dyer, Esq., Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of each of the enclosed

Ms. Noreta R. McGee
April 27, 1990
Page 3

documents, both of which are secondary documents relating to the Security Agreement, which is a primary document::

Amendment to Security Agreement, dated as of April 25, 1990, between Precision National Corporation and Deutsche Credit Corporation, covering 138 locomotive hulks described on Schedule A attached to the Security Agreement referenced above.

Amendment to Loan Agreement, dated as of April 25, 1990, between Precision National Corporation and Deutsche Credit Corporation, covering 138 locomotive hulks described on Schedule A attached to the Security Agreement referenced above.

Please call Stephen Dyer or me at the telephone number in Chicago if you have any questions.

Very truly yours,


Kelley W. White

KWW:rm
Enclosures

cc: T. Stephen Dyer
Steven Ordaz

Interstate Commerce Commission
Washington, D.C. 20423

4/27/90

OFFICE OF THE SECRETARY

Kelley W. White
Ross & Hardies
150 North Michigan Avenue
Chicago, Illinois 60601

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/27/90 at 3:30pm and assigned recordation number(s). 16694-B & 16694-C

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

AMENDMENT TO SECURITY AGREEMENT
DATED NOVEMBER 10, 1989

RECORDATION NO. 16694-13 FILED 1989
APR 27 1990 - 3 30 PM
INTERSTATE COMMERCE COMMISSION

The above-referenced Security Agreement, filed with the Interstate Commerce Commission on or about December 29, 1989, Recordation No. 16694, a copy of which is attached hereto (the "Security Agreement") is hereby amended as follows:

To secure the payment of additional indebtedness of Precision National Corporation ("Precision") to Deutsche Credit Corporation ("DCC") in the sum of Two Million and 00/100 Dollars (\$2,000,000.00) which is hereby confessed and acknowledged, with interest thereon, all according to a certain promissory note or notes of even date herewith, and which represents, as stated in the Security Agreement, a future advance, and also to secure the payment, performance and fulfillment of any and all other obligations of Precision to DCC, its heirs, successors, legal and personal representatives or assigns, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter arising, due or to become due ("Obligations"), Precision hereby grants, assigns, transfers, pledges, conveys and mortgages to DCC the goods, chattels, property and inventory, described herein, or on any schedule(s) annexed hereto, as follows:

All locomotive hulks set forth on the Schedule "A" attached to the Security Agreement, except for the following:

BN 5328/PN 041132	Scrapped	SP 2268/PN 04118	Sold to Alcoa
BN 4500/PN 041124	Scrapped	SP 2308/PN 0417	Sold to Mobil
BN 5311/PN 041126	Scrapped	SP 2625/PN 04125	Sold to Kaiser
BN 5315/PN 041129	Scrapped	SP 6309/PN 04165	Sold to Kaiser
		SP 6321/PN 04116	Sold to Kaiser

which have been sold and/or otherwise disposed of, and proceeds paid to DCC.

The foregoing goods chattel property and inventory, in addition to this future advance, shall secure any and all future advances.

In all other respects, the Security Agreement dated November 10, 1989, shall remain unchanged.

IN WITNESS WHEREOF, the Parties have executed this Amendment to the Security Agreement this 25th day of April, 1990.

PRECISION NATIONAL CORPORATION

DEUTSCHE CREDIT CORPORATION

By: Drew Mauer

By: James S. [Signature]

Title: PRESIDENT

Title: SVP, CFO & TREASURER

ATTEST:

R. J. B. [Signature]
Witness or Secretary

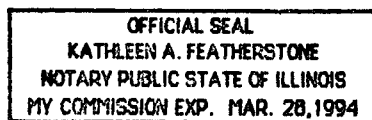
By: [Signature]

Title: Asst. V.P.

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 25th day of APRIL, 1990, before me, the subscriber, _____, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named DEAN MANES to me personally known, who stated and acknowledged that he is the PRESIDENT of Precision National Corporation, an Illinois corporation, and duly authorized by authority of the Board of Directors or By-Laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 25th day of April, 1990.



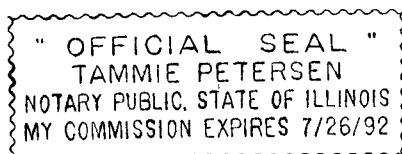
Kathleen Featherstone
Notary Public

My commission expires:

STATE OF ILLINOIS)
) SS.
COUNTY OF LAKE)

On this 26th day of April, 1990, before me, the subscriber, Tammie Petersen, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named James S. Poor and Michael Dusti to me personally known, who stated and acknowledged that they are the SVP, CFO & Treasurer and Asst. V.P. of Deutsche Credit Corporation, a Delaware corporation, and duly authorized by authority of the Board of Directors or By-Laws of said corporation in their capacity as such officers to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that they have so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 26th day of April, 1990.



Tammie Petersen
Notary Public

My commission expires: 7-26-92

Schedule annexed to and made a part of a certain Conditional Sales Contract, Chattel Mortgage or Lease dated the 11th day of November, 1989 or Financing Statement, by and between the undersigned

Description of collateral (Quantity, New/Used, Make, Model, General Description, and, if applicable, Engine and/or Serial Numbers)

Electro-Motive Equipment Consisting of:

four (4)	Used	Electro-Motive Switcher Locomotives, Model SW-7, S/N's 6090-1, 6090-2, 6090-3, and 4005-8
ten (10)	Used	Electro-Motive Switcher Locomotives, Model SW-9, S/N's 4225-4, 4075-4, 4075-5, 1187-2B, 6253-2, 6253-1, 6374-7, 6374-9, 6374-2, and 357-535441
ten (10)	Used	Electro-Motive Switcher Locomotives, Model SW-1200, S/N's 4416-1, 7701-8, 4491-1, 4469-7, 4255-2, 4255-4, 4255-6, 4382-1, 4382-5, and 4295-2
one (1)	Used	Electro-Motive Switcher Locomotives, Model SW-1500, S/N 58383-52
six (6)	Used	Electro-Motive Switcher Locomotives, Model NW2, S/N's E-1045-39, E-1045-10, E-1045-3, E-1045-13, E-6021-1, and E-1022-26
two (2)	Used	Electro-Motive General Purpose Locomotives, Model GP-7, S/N's 5091-11 and 6117-L
six (6)	Used	Electro-Motive General Purpose Locomotives, Model GP-9, S/N's 5487-2, 5560-3, 5354-13, 5384-7, K50-11952 and 5453-34
one (9)	Used	Electro-Motive General Purpose Locomotives, Model GP-10, S/N's 5359-6, 5378-34, 5409-58, 5409-63, 5480-43, 5436-75, 5502-3, 67K3-1051, and 5573-63
eleven (11)	Used	Electro-Motive General Purpose Locomotives, Model GP-20, S/N's 5607-5, 5607-6, 7592-1, 5607-4, 7592-4, 7583-6, 7397-8, 7597-13, 7597-23, 5634-30, and 5825-2
three (3)	Used	Electro-Motive General Purpose Locomotives, Model GP-30, S/N's 7652-1, 5643-21 and 5643-25
five (5)	Used	Electro-Motive General Purpose Locomotives, Model GP-35, S/N's 7703-4, 7808-4, 7739-31, 5660-7, and 7710-7
one (1)	Used	Electro-Motive General Purpose Locomotives, Model GP-38, S/N 7060-100
one (1)	Used	Electro-Motive General Purpose Locomotives, Model GP-38-2, S/N 73662-27
four (4)	Used	Electro-Motive General Purpose Locomotives, Model GP-40, S/N's 7275-10, 7897-7, 7944-20, and 776091-17
six (6)	Used	Electro-Motive Special Duty Locomotives, Model SD-7, S/N's 6274-9, 6274-10, 6468-2, 6468-3, 6468-5, and 6468-6
three (3)	Used	Electro-Motive Special Duty Locomotives, Model SD-9, S/N's 6468-7, 6468-8, and 5249-1
one (9)	Used	Electro-Motive Special Duty Locomotives, Model SD-35, S/N's 30885, 7838-24, 7838-27, 7838-32, 7838-34, 7738-1, 7738-12, 7738-14, and 7738-15
seven (7)	Used	Electro-Motive Special Duty Locomotives, Model SD-40, S/N's 7865-12, 7865-14, 7932-17, 7932-18, 7995-2, 7995-7, and 7324-25
two (2)	Used	Electro-Motive Special Duty Locomotives, Model SD-40-2, S/N's 73630-26 and 786265-49

The undersigned Buyer(s), Mortgagor(s) or Lessee(s) hereby verifies the above Schedule as correct and acknowledges receipt of a copy thereof

SELLER/MORTGAGEE/LESSOR

Deutsche Credit Corporation

By: [Signature]
Title SVP & Treasurer SVP's Aug

BUYER/MORTGAGOR/LESSEE

Precision National Corporation

By: [Signature]
Title PRESIDENT

SECURITY AGREEMENT
MORTGAGE ON GOODS AND CHATTELS

RECORDATION NO. 10054
FEE \$1.00

DEC 29 1989 - 11 22 AM
INTERSTATE COMMERCE COMMISSION

THIS MORTGAGE made the 16th day of November, 1989, by and between

Precision National Corporation 1100 Shawnee Street, Mount Vernon, Illinois 62864
(Customer, hereinafter referred to as "Mortgagor") and (Name and Address)

Deutsche Credit Corporation 2333 Waukegan Road, Deerfield, Illinois 60015
(Lender & Secured Party, hereinafter referred to as "Mortgagee") (Name and Address)

WITNESSETH:

1 To secure the payment of an indebtedness of Mortgagor to Mortgagee in the sum of Three Million and 00/100

DOLLARS (\$ 3,000,000.00),

which is hereby confessed and acknowledged, with interest thereon, all according to a certain promissory note or notes of even date herewith, and also to secure the payment, performance and fulfillment of any and all other obligations of the Mortgagor to Mortgagee, its heirs, successors, legal and personal representatives or assigns, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter arising, due or to become due (hereinafter referred to as "Obligations"), Mortgagor hereby grants, assigns, transfers, pledges, conveys and mortgages to Mortgagee the goods, chattels and property described herein, or on any schedule(s) annexed hereto, as follows:

See Schedule "A" attached hereto and made a part hereof by reference, which goods, chattel and property shall secure any and all future advances.

all present and future attachments, accessions and additions thereto, substitutions, accessories and equipment therefor and replacements thereof, and any and all proceeds arising out of the sale, lease or other disposition thereof, all such goods, chattels, proceeds and property being, hereinafter called "Mortgaged Property", to have and to hold the same unto Mortgagee forever. Provided, however, that if the Mortgagor shall fully, timely and faithfully pay, perform and fulfill all said Obligations, time being of the essence hereof and of the said Obligations, then this Mortgage shall be void, but otherwise shall remain in full force and effect

2 Mortgagor agrees with and warrants to Mortgagee that the Mortgaged Property described herein or in any annexed schedule(s) hereto is in

the possession of Mortgagor at 1100 Shawnee Street, Mount Vernon County of Jefferson
(Address)

State of Illinois, that all of the Obligations are acknowledged and declared to be secured by this Mortgage and that Mortgagor will fully and faithfully pay, perform and fulfill all of the Obligations, with late charges thereon from and after maturity, whether by acceleration or otherwise, at the highest contract rate provided by law, but not to exceed three (3) percent per month, or as otherwise provided for in the applicable debt instrument

3 Mortgagor further agrees with and warrants to Mortgagee that

(a) Mortgagor is the lawful owner of the Mortgaged Property and has the sole right and lawful authority to make this Mortgage, the Mortgaged Property and every part thereof is free and clear of all liens and encumbrances of every kind, nature and description (except any held by Mortgagee), and Mortgagor will warrant and defend the Mortgaged Property against all claims and demands of all persons

(b) Mortgagor will keep the Mortgaged Property free and clear of all attachments, levies, taxes, liens and encumbrances of every kind, nature and description, Mortgagor, at its own cost and expense, will keep the Mortgaged Property in a good state of repair, will not waste or destroy the same or any part thereof and will not be negligent in the care or use thereof, and Mortgagor will not sell, assign, mortgage, ~~pledge~~ pledge or otherwise dispose of the Mortgaged Property without the prior written consent of Mortgagee and any sale, assignment, mortgage, ~~pledge~~ pledge or other disposition without said consent shall be void ab initio and of no force and effect. Mortgagee is hereby authorized to file one or more financing statements or a reproduction hereof as a financing statement

~~DM initial~~
Mortgagor shall not remove the Mortgaged Property from its present location without the prior written consent of Mortgagee and at all times shall allow Mortgagee or its representative free access to and right of inspection of the Mortgaged Property, which shall remain personally and not become part of any realty, and nothing shall prevent Mortgagee from removing same or so much thereof as Mortgagee, in its sole discretion may determine, from any premises to which it may be attached upon breach of this Mortgage. Mortgagor agrees to deliver to Mortgagee appropriate waivers, satisfactory to Mortgagee, of owners, landlords and/or mortgagees of any such premises

(d) Mortgagor will not remove the Mortgaged Property from its present location without the prior written consent of Mortgagee and at all times shall allow Mortgagee or its representative free access to and right of inspection of the Mortgaged Property, which shall remain personally and not become part of any realty, and nothing shall prevent Mortgagee from removing same or so much thereof as Mortgagee, in its sole discretion may determine, from any premises to which it may be attached upon breach of this Mortgage. Mortgagor agrees to deliver to Mortgagee appropriate waivers, satisfactory to Mortgagee, of owners, landlords and/or mortgagees of any such premises

(e) Mortgagor shall comply (so far as necessary to protect the Mortgaged Property and the lien of this Mortgage thereon) with all of the terms and conditions of leases covering the premises wherein the Mortgaged Property is located and with any orders, ordinances, laws or statutes of any city, state or other governmental department having jurisdiction with respect to the premises or the conduct of business thereon, and, where requested by Mortgagee, will correct any defaults and/or violation thereunder or execute any written instruments and do any other acts necessary to more fully effectuate the purposes and provisions of this instrument

(f) Mortgagor will indemnify and save Mortgagee harmless from all loss, cost, damage, liability or expense including reasonable attorneys' fees that Mortgagee may sustain or incur to obtain or enforce payment, performance or fulfillment of any of the Obligations or in the enforcement or foreclosure of this Mortgage or proceeding either against Mortgagor or against Mortgagee concerning any matter growing out of or connected with this Mortgage and/or any of the Obligations and/or any of the Mortgaged Property

(g) If Mortgagor is a corporation, the execution of this Mortgage has been duly consented to and authorized by all of the stockholders of Mortgagor, and duly authorized by its Board of Directors. Mortgagor agrees to deliver to Mortgagee evidence thereof satisfactory to Mortgagee immediately upon request

(h) Mortgagor hereby covenants and agrees to deliver to Mortgagee, as soon as practicable and in any event, within 120 days after the end of each fiscal year, a fully executed financial statement in reasonable detail, and with reasonable promptness such other financial information as may be reasonably requested by the Mortgagee

4 The terms, conditions and provisions contained herein, on the reverse side hereof, and those contained in any agreement(s) or schedule(s) referenced herein or annexed hereto constitute the entire agreement between the Mortgagor and Mortgagee

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed by a duly authorized representative on the day and year first above written

* except as provided in a Loan Agreement dated 11-10, 1989

DM initial

ATTEST

Precision National Corporation

(Mortgagor)

By Dean Mauer

PRESIDENT

(Title)

Schedule annexed to and made a part of a certain Conditional Sales Contract, Chattel Mortgage or Lease dated the 16th day of November, 1989 or Financing Statement, by and between the undersigned.

Description of collateral (Quantity; New/Used, Make; Model; General Description, and, if applicable, Engine and/or Serial Numbers)

- Twenty (20) Used Electro-Motive Special Duty Locomotives, Model SD-45, S/N's 7079-8, 7494-4, 7887-41, 7887-45, 7170-11, 7170-29, 7217-14, 7217-5, 7170-31, 7975-5, 7077-18, 7077-11, 7975-15, 7975-16, 7975-14, 7975-9, 7077-14, 7123-2, 7068-20, and 5745-24
- Three (3) Used Electro-Motive Special Duty Locomotives, Model SD-45-2, S/N's 7138-4, 776069-11, and 7138-45

Miscellaneous Equipment as Listed Below:

- Nine (9) Used Miscellaneous Locomotives, Model GE-U33C, S/N's 38249, 38256, 38258, 38358, 10001, 10002, 10003, 10004, and 10005
- One (1) Used Miscellaneous Locomotives, Model BLH-S10, S/N 10006
- Two (2) Used Miscellaneous Locomotives, Model ALCORS-3, S/N's 17004L3 and 10007
- Two (2) Used Miscellaneous Locomotives, Model DD-40X, S/N's 7134-5 and 7198-13
- One (1) Used Miscellaneous Locomotives, Model SLUG, S/N 4184-10

The undersigned Buyer(s), Mortgagor(s) or Lessee(s) hereby verifies the above Schedule as correct and acknowledges receipt of a copy thereof.

<p>SELLER/MORTGAGEE/LESSOR</p> <p>Deutsche Credit Corporation</p> <p>By <u>[Signature]</u></p> <p>Title <u>SVP & Treasurer</u></p>	<p>BUYER/MORTGAGOR/LESSEE</p> <p>Precision National Corporation</p> <p>By <u>[Signature]</u></p> <p>Title <u>PRESIDENT</u></p>
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 10th day of November 1989, before me, the subscriber, INA S. EPSTEIN, a Notary Public, duly commissioned, qualified and acting, within and for said Country and State, appeared in person the within named Dean Manes to me personally known, who stated and acknowledged that he is the President of Precision National Corporation, an Illinois corporation, and duly authorized by authority of the Board of Directors or By-Laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 10th day of November, 1989.

INA S. EPSTEIN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 7/31/93

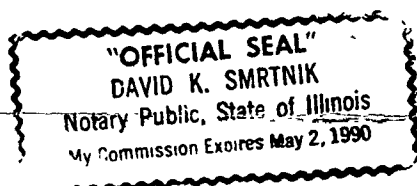
Ina S. Epstein
Notary Public

My commission expires:

STATE OF ILLINOIS)
) SS.
COUNTY OF)

On this 4th day of December, 1989, before me, the subscriber, DAVID K. SMRTNIK, a Notary Public, duly commissioned, qualified and acting, within and for said Country and State, appeared in person the within named JAMES S. POOR and ROBERT F. SCHWEN, to me personally known, who stated and acknowledged that they are the SENIOR VICE PRESIDENT & TREASURER and SENIOR VICE PRESIDENT & SECRETARY of Deutsche Credit Corporation, a Delaware corporation, and duly authorized by authority of the Board of Directors or By-Laws of said corporation in their capacity as such officers to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that they have so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 4th day of December, 1989.



David K. Smrtnik
Notary Public

My commission expires: 5/2/1990